



News From:
U.S. Congressman John B. Larson
serving Connecticut's First District
1008 Longworth House Office Building
Washington, DC 20515
221 Main Street, 2nd Floor
Hartford, CT 06108

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LARSON URGES REVAMPING OF UNWIELDY MEDICARE PRESCRIPTION DRUG PROGRAM

Calls for Federal Government to Reduce Costs and Improve Prescription Drug Access Through Direct Dealings with Drug Companies

HARTFORD, CT ♦ Decrying the complications and difficulties of the Medicare prescription drug program, Congressman John B. Larson (CT-01) at a press conference Thursday renewed his call for federal officials to negotiate with the pharmaceutical companies.

Larson addressed the already-apparent failings of the Medicare D program from Arrow Pharmacy on Farmington Avenue in Hartford, supported by pharmacists, senior citizens, a financial services counselor to the elderly licensed by several insurers to enroll Medicare beneficiaries in their plans as well as advocates for senior citizens and people with disabilities who urged greater oversight of the plans by Centers of Medicare & Medicaid. They described the problem-riddled program as a ♦fiasco♦ and ♦a nightmare.♦

Beneficiaries and advocates also predicted the widespread chaos that accompanied the program♦s Jan. 1 roll-out would be repeated as the enrollment deadline of May 15 approaches. Those who sign up after the deadline will have to pay a financial penalty in the form of higher lifetime monthly premiums. So far three quarters of Medicare beneficiaries for whom coverage is voluntary ♦ about 16.6 million ♦ have not yet enrolled. About 20

million were automatically enrolled because they were covered previously by their employer, Medicaid or other government programs.

Larson presented a report prepared for him by the minority staff of the House Committee on Government Reform showing that, contrary to promises from the Bush Administration and Republican leaders, handing the drug benefit for the elderly over to private insurance companies has not reduced prices. Republican leaders in Congress, following the Administration, barred the federal government from bargaining with the drug companies. They claimed that market competition from private insurance plans would drive prices down.

In fact, prices of drugs bought directly from Canada or that the federal government negotiates for veterans, military personnel and health clinics cost less than half of those sold through the insurance plans, the report shows. Even drugs purchased on-line through such sites as Drugstore.com or discount stores such as Costco are cheaper. Added to this failure to hold down costs, Larson said, are the difficulties that many seniors citizens who have enrolled in a plan, pharmacies and doctors offices have faced in getting necessary prescriptions filled at promised discounts in needed amounts.

◆At best, this program was ill-conceived,◆ said Larson, who submitted a bill for direct federal negotiations of drug prices last year. ◆We have the ability to provide seniors ready access to the most affordable drug prices at the least expense to taxpayers. Republicans opposed it. There is only one conclusion to make. The insurance and drug companies are higher on their list of priorities. It◆s one more expansion of corporate entitlement under this Republican Congress and this Administration.◆

The Medicare drug program is expected to cost taxpayers more than \$790 billion over the next decade, excluding significant additional costs states are shouldering to fill in coverage gaps for low-income seniors.

In lieu of scrapping the entire program, Larson also repeated his legislative proposal for the government to extend by two years the deadline for seniors to sign up for a plan without being charged financial penalties in the form of lifetime higher premiums. His bill, introduced in November, would give Medicare beneficiaries the right to switch plans if theirs changes its formulary. The Medicare prescription drug law allows plans to change their formularies with 60 days notice.

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